

ANNUAL DISCLOSURE REPORT
CITY OF RIVERSIDE
PUBLIC UTILITIES DEPARTMENT

FISCAL YEAR ENDING JUNE 30, 2022

SERIES	DATED	CUSIP Numbers
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2008A	5/1/2008	768874PS2
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2008C	5/1/2008	768874PU7
ELECTRIC REVENUE BONDS, ISSUE OF 2010A (FEDERALLY TAXABLE BUILD AMERICA BONDS – DIRECT PAYMENT)	12/16/2010	768874SH3 through 768874SG5
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2011A	4/28/2011	768874TS8
REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2013A	7/25/2013	768874SS9 through 768874TP4
REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2019A	2/26/2019	768874TY5 through 768874UV9

Prepared by
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Fiscal Year 2022 Annual Report for the City of Riverside's:

- Variable Rate Refunding Electric Revenue Bonds, Issue of 2008A (the “2008A Bonds”)
- Variable Rate Refunding Electric Revenue Bonds, Issue of 2008C (the 2008C Bonds”)
- Electric Revenue Bonds, Issue of 2010A (Federally Taxable Build America Bonds-Direct Payment) (the 2010A Bonds”)
- Variable Rate Refunding Electric Revenue Bonds, Issue of 2011A
- Refunding Electric Revenue Bonds, Issue of 2013A (the “2013A Bonds”)
- Refunding Electric Revenue Bonds, Issue of 2019A (the “2019A Bonds”)

As required by the continuing disclosure certificates executed and delivered by the City of Riverside (the “City”) relating to the above-reference bonds, the City provides the following:

Audited Financial Statements: Included by reference is the City of Riverside Annual Comprehensive Financial Report (ACFR) and the Public Utilities Financial Report for the year ending June 30, 2022, which includes the audited financial statements for both the City of Riverside and the City’s Electric Utility System, prepared in accordance with generally accepted accounting principles. The City’s ACFR was submitted to the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) on January 30, 2023 and can be found at <https://emma.msrb.org/P21651871-P21271315-P21698451.pdf>. The Public Utilities Financial Report was submitted on March 9, 2023 and can be found at <https://emma.msrb.org/P21674919-P21288890-P21718543.pdf>.

Principal amount of the bonds outstanding as of the end of the immediately preceding Fiscal Year:

Series	Principal Outstanding
Fiscal Year Ended June 30, 2022	
2008A Bonds ⁽¹⁾	34,465,000
2008C Bonds ⁽¹⁾	32,150,000
2010A Bonds	128,600,000
2011A Bonds ⁽²⁾	35,550,000
2013A Bonds	36,355,000
2019A Bonds	257,010,000

(1) Partially defeased by 2019A Bond issuance.

(2) Variable Rate debt remarketed in April 2020.

With respect to the 2008A Bonds and the 2008C Bonds, balances in the respective reserve accounts as of the end of the immediately preceding Fiscal Year and statement of the respective reserve requirements:

Series	Reserve Account Balance	Reserve Requirement
Fiscal Year Ended June 30, 2022		
2008A Bonds	\$ 6,436,744	\$ 6,411,745
2008C Bonds	\$4,365,928	\$ 4,348,971

Updated information comparable to the information in the table entitled “Electric System Facilities” as it appears in the Official Statement:

Electric System Facilities	
Fiscal Year Ended June 30, 2022	
Utility Plant (less provision for accumulated provision)	\$723,503,000
Construction in progress	72,724,000
Distribution – Overhead Circuit Miles	513
Underground Circuit Miles	838
Street Light Circuit Miles	1,046

Updated information comparable to the information in the table entitled “Annual Electricity Supply” as it appears in the Official Statement:

Annual Electricity Supply			
Fiscal Year Ended June 30, 2022			
<u>Resource</u>	<u>Cost in cents/kWh</u>	<u>MWh</u>	<u>Percentage</u>
IPP Generating Station	5.5	453,900	19.9%
Firm Contracts and Market Purchases	8.8	359,200	15.7%
Palos Verde Nuclear Generating Station (“PVNGS”)	3.5	101,100	4.4%
RERC/Springs Clearwater	16.4	68,000	3.0%
Renewable Resources ⁽¹⁾	6.7	1,300,700	57.0%
Total		2,282,900	100%

(1) Includes Hoover Plant Costs.

Updated Information comparable to the information in the table entitled “Total Energy Generated and Purchased and Peak Demand” as it appears in the Official Statement:

Total Energy Generated and Purchased and Peak Demand	
Fiscal Year Ended June 30, 2022	
City Generation (MWh)	68,000
Other Sources (MWh)	2,214,900
System Total (MWh)	2,282,900
System Native Load (MWh)	2,144,000
System Peak Demand (MW)	575.9

Updated information comparable to the information in the table entitled “Number of Meters/ Number of Metered Customers” as it appears in the Official Statement:

Number of Meters/Number of Metered Customers	
Fiscal Year Ended June 30, 2022	
Domestic	99,731
Commercial	11,922
Industrial	625
Other	50
Total-All Classes	112,328

Updated information comparable to the information in the table entitled “Energy Sold” as it appears in the Official Statement:

ENERGY SOLD (Millions of kWh)	
Fiscal Year Ended June 30, 2022	
Domestic	759
Commercial	443
Industrial	923
Wholesale Sales	19
Other	2
Total kWh Sold	2,146

Updated information comparable to the information in the table entitled “Percentage Increase in Electric Rates” as it appears in the Official Statement:

Percentage Increase in Electric Rates				
Effective Date	Overall System	Residential	Commercial	Industrial
July 1, 2021 ^{(1) (2)}	3.00%	-	-	-
January 1, 2022 ⁽¹⁾	3.00%	-	-	-

(1) On May 22, 2018 the City Council approved a five-year electric rate plan, with annual reviews of the adopted rates by City Council. Actual increases vary by customer class and usage level.

(2) Due to the unprecedented Local Emergency due to COVID-19, the City Council delayed the implementation of the third year of the Electric Rate Plan originally effective January 1, 2021 until July 1, 2021.

Updated information comparable to the information in the table entitled “Revenues From Sales of Electricity” as it appears in the Official Statement:

Revenues from Sales of Electricity (Dollars In Thousands)	
Fiscal Year Ended June 30, 2022	
Domestic	\$134,403
Commercial	75,899
Industrial	122,684
Other	4,891
Wholesale Sales	89
Transmission Revenue	32,245
Total	\$370,211

Updated information comparable to the information in the table entitled “Average Billing Price” as it appears in the Official Statement:

Average Billing Price (Cents per Kilowatt-Hour)	
Fiscal Year Ended June 30, 2022	
Domestic	17.7
Commercial	17.1
Industrial	13.3
Other	26.5
Average - All Classes Combined	15.8

Updated information comparable to the information in the table entitled “Historical Summary of Operations and Debt Service Coverage” as it appears in the Official Statement:

HISTORICAL SUMMARY OF OPERATIONS AND DEBT SERVICE COVERAGE
For Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

Operating Revenues

Residential	\$ 134,403
Commercial	75,899
Industrial	122,684
Other sales	4,891
Wholesale	89
Transmission	32,245
Other Operating Revenues	18,758
Total Operating Revenues Before Uncollectibles	388,969
Estimated Uncollectibles, Net of Bad Debt Recovery	681
Total Operating Revenues, Net of Uncollectibles	389,650
Investment Income	(10,330)
Contributions in Aid	5,445
Non-Operating Revenues	7,094
Total Revenues ⁽⁴⁾	<u>\$ 391,859</u>

Operating and Maintenance Expenses

Nuclear Production	\$ 914
Production & Purchased Power ⁽³⁾	175,682
Transmission Expenses	65,996
Distribution Expenses	18,270
Customer Account Expenses	6,845
Customer Service Expenses	1,727
Administration & General Expenses ^{(1) (2)}	10,992
Clearing & Miscellaneous Expenses	17,794
Total Expenses	<u>298,220</u>

Net Operating Revenues Available for Debt Service and Depreciation	<u>\$ 93,639</u>
Debt Service Requirements on Bonds ⁽⁴⁾	\$ 46,028
Debt Service Coverage	2.03x

- (1) Excludes Government Accounting Standards Board (“GASB”) Statement No. 75 Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions non-cash adjustment of \$530 for Fiscal Year 2021-22. GASB Statement No. 75 became effective on July 1, 2017.
- (2) Excludes Governmental Accounting Standards Board (“GASB”) Statement No. 68 (Accounting and Financial Reporting for Pension) non-cash adjustment of \$16,425 for fiscal year 2021-22. GASB Statement No. 68 became effective on July 1, 2014.
- (3) Includes fuel expense for City-owned generating facilities and payments to Intermountain Power Agency (“IPA”) and Southern California Public Power Authority (“SCPPA”), other than payments relating to transmission projects with SCPPA.
- (4) Includes GASB 87 Leases net adjustment of \$134 for June 30, 2022. Effective July 1, 2021, the Electric Utility adopted GASB’s No. 87 – Leases (“GASB-07”). The Electric Utility considered restatement of net position impractical, as a result there was no impact to the beginning net position upon adoption of GASB-87.

Updated information comparable to the information in the table entitled “Outstanding Debt of Joint Powers Agencies” as it appears in the Official Statement:

Outstanding Debt of Joint Powers Agencies (Dollars in Thousands) As of June 30, 2022			
<u>Agency/Project</u>	<u>Amount of Outstanding Debt</u>	<u>City Participati on</u>	<u>City Share of Outstanding Debt</u>
Intermountain Power Agency			
Intermountain Power Project ⁽¹⁾⁽³⁾	\$ 283,388	7.617%	21,537
Southern California Public Power Authority⁽¹⁾			
STS	267,943	10.164%	27,234
Mead-Phoenix Transmission ⁽²⁾	-	4.000%	-
Mead-Adelanto Transmission ⁽²⁾	-	13.500%	-
Total Outstanding Debt	\$ 551,331		48,771

(1) Total before unamortized bond discount/premium and refunding charge.

(2) Paid-off in Fiscal Year 2020-2021

(3) The Electric Utility's contract with IPA expires in 2027. The Electric Utility will not be responsible for the proportionate share of the 2022 series A and B revenue bonds after the contract expires.

EVENT FILINGS

On February 1, 2022, the City of Riverside entered into an Amended and Restated Revolving Credit Agreement with U.S. Bank National Association. As such, the City posted a Notice of Significant Event (Incurrence of Financial Obligations) to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21547835-P21196261-P21615464.pdf>.

On August 20, 2021, the Variable Rate Refunding Electric Revenue Bonds Issue of 2011A issued by the City of Riverside were selected for partial redemption on October 1, 2021. As such, the City posted a Notice of Partial Mandatory Redemption to the MSRB Central Repository which can be found at <https://emma.msrb.org/P11520547-P11176390-P11592587.pdf>.